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Attached is a memorandum on likely

French positions at the Williamsburg Summit.

It was requested by Walt Raymond of the

NSC Staff. A copy of this memorandum

was supplied to the DDCI for his meeting

with Judge Clark.



30 March 1983

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30 March 1983

MEMORANDUM:

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SUBJECT : French Positions at the Williamsburg Summit

1. The French would prefer to avoid a show of Western disunity at Williamsburg, and would like a loosely structured meeting. They want the meeting to focus on issues such as coordinating Western strategy to promote economic growth in the industrial democracies and the Third World, and not on East-West issues. They will strongly resist any US efforts to shift the focus to East-West issues, and have adamantly denied that they are under any obligation to do so because of the La Sapiniere talks which ended the US pipeline sanctions.

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2. We do not believe that Mitterrand's plans to summon a meeting of West European Socialist heads of government in Paris two weeks before the Williamsburg meeting means that he will push for ideological solutions at the Summit. The meeting with other Socialist leaders is more likely an effort to demonstrate his openness to ideas and his preeminent position among West European Socialist leaders.

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3. The French anticipate difficulties with the United States over East-West trade and do not want this issue to occupy center stage. Mitterrand and his advisers suspect that the United States wants to reduce overall East-West trade in industrial goods with an agreement to restrict further high-technology sales and credits to the Soviets. The French are prepared to prohibit the export of technology with proven military uses, and are ready to take strong action on their own. Although prepared to cooperate in COCOM, their definition of what technology falls into this category is narrower than that of the United States.

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This memorandum was prepared by	the
Office of European Analysis. It was coordinated with the	
Directorate of Operations, the Office of Global Issues, and t	
National Intelligence Office of Western Europe. Questions an	
comments may be addressed to the Chief, Western Europe Divisi	on,
CL BY 561757	

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2	4. On general principles, the French are determined to divorce themselves from any Allied policy that could be construed as "economic warfare" against the East. They are also concerned that such policies would harm their own crisis-ridden economy and doubt they would change Soviet behavior. The French are still chafing over the Siberian gas pipeline controversy, and we think they will rally their West European partners against any US efforts to limit or oversee sales and credits to the Soviets.	25X
2	5. US agricultural sales to traditional EC markets in the Third World for example, the grain sale to Egypt are also a sore point. The French may not want to raise the issue of protectionism on which they are vulnerable but they would use recent US agricultural sales as ammunition if the question surfaces as a specific Summit issue. They will support general conclusions on the need to avoid a "trade war."	25X
3	6. The new austerity plan has been in effect for less than a week, and it is not yet clear what impact it will have on French policy at the Summit. For the time being Mitterrand has rejected increased protectionism, despite considerable pressure from the left wing of the Socialist party for a more nationalistic economic policy.	25X
1,3,5	7. The French, nevertheless, remain concerned about the weakness of the franc, and blame many of its difficulties on US policies which have strengthened the dollar. They have spoken favorably of the Versailles-mandated intervention study and have publicly hinted at the need for initiatives aimed at "restoration of monetary order." Paris is likely to urge a unified Western strategy to handle the effects on international financial structures of an uncontrolled or unsustainably large drop in oil prices.	25X
5	8. Lastly, the French remain somewhat resentful of US indifference to their high technology initiatives at Versailles, but they are not likely to raise the issue in any dramatic way. Mitterrand may instead focus on Western assistance to the Third World and argue that effective aid programs will promote the 25X1 economic recovery of the West. He is on record as supporting action to stabilize raw material prices, enhance self-sufficiency in food, and diversify energy sources in the Third World.	25X1

